

WAC 230-40-823 ~~((House-banked card games--))~~ **Financial audits and reviews ((required)) – House-banking.** Each licensee operating house-banked card games ~~((with gross receipts in excess of five million dollars per year shall have their financial statements examined by a licensed, independent certified public accountant (CPA) for each fiscal year to evaluate the fairness of the presentation of the statements in conformity with generally accepted accounting principles. This examination shall be conducted in accordance with generally accepted auditing standards. A copy of the report and financial statements shall be submitted to the commission no later than one hundred twenty days after conclusion of the fiscal year. The director or the director's designee may extend the date for audit completion if a request is made by the licensee.))~~ shall prepare financial statements covering all financial activities of the licensee's establishment for each business year. The following requirements shall apply:

Audited financial statements – gross receipts over 3 million dollars

(1) Each licensee with house-banked card game gross receipts in excess of three million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall audit the licensee's financial statements in accordance with generally accepted auditing standards.

Reviewed financial statements – gross receipts of 3 million dollars or less

(2) Each licensee with house-banked card game gross receipts equal to three million dollars or less for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall review the financial statements in accordance with the statements on standards for accounting and review services or audit the financial statements in accordance with generally accepted auditing standards.

Financial statement presentation

(3) The financial statements must be presented in the following manner:

(a) Financial statements shall be submitted on a comparative basis: Provided, That the first year may be submitted for the current business year only: and

(b) Gross revenues from each licensed activity should be reported by activity and separate and apart from all other revenues.

Consolidated financial statements

(4) Consolidated financial statements may be filed by commonly owned or operated establishments. These statements must include consolidated schedules presenting separate financial statements for each licensed card room location.

Change in business year

(5) If a licensee changes its business year, they shall notify the director within thirty days. The licensee shall submit financial statements for the period covering the end of the previous business year to the end of the new business year.

Filing with the commission

(6) A copy of the report and the financial statements shall be submitted to the director within one hundred twenty days following the end of the licensee's business year. The director may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

Effective date

(7) This rule will be effective for business years ending on or after July 1, 2004.